



WORKFORCE DEVELOPMENT COUNCIL

317 W. Main Street
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TRANSMITTAL #6

MEMORANDUM

June 20, 2002

TO: Workforce Development Council

FROM: Allison McClintick, Labor Policy Advisor, Office of the Governor

SUBJECT: WIA Reauthorization

ACTION REQUESTED: Consider recommendations for changes to WIA Title I

BACKGROUND:

Congress is scheduled to take up reauthorization of WIA in 2003. The U.S. Department of Labor (USDOL) has hosted a series of forums to gather information on ways to improve WIA Title I (One Stop and local WIB programs) and Title III (Employment Service). They are also accepting written comments until June 30, 2002. Among the issues being considered by the USDOL are:

- How can the One Stop system be enhanced to improve employment and earnings of TANF recipients?
- How can the system better meet the needs of business and improve their participation in the workforce system?
- How can legislation better balance state and local needs in governance of the system?
- How can state flexibility be increased while maintaining a focus on connecting people and work?
- How can operation of the One Stop Centers be improved?
- How can individuals receive improved opportunities for training?
- How can UI/ES reform assist in improving and expanding the One Stop system?

At our June 20, 2002 meeting, the Workforce Development Council will have an opportunity to develop comments for the USDOL. Staff have prepared suggested comments for your consideration. We ask that you consider these and offer any additional recommendations for improving the system.

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WIA Reauthorization Issues for Consideration

The WIA mandates significant structural change at the state and local levels. We believe that the WIA holds great promise but must be allowed to mature if the goals of a comprehensive and responsive workforce system are to be realized. The seven principles – streamlining services through integration at the One Stop system, empowering individuals, universal access, increased accountability, a strong role for workforce boards and the private sector, state and local flexibility, and improved youth programs – should be continued and strengthened. It is in this spirit that we offer the following comments.

- 1. Streamlining Services through better integration at the One Stop level.** States and localities should be given greater flexibility to design One Stop systems appropriate for their communities. We believe that incentives to facilitate integration are far more effective than mandates which identify partners and specify their relationships. One of the greatest barriers to One Stop system building has been a requirement for cost sharing among programs. This could be alleviated if Congress were to offer financial incentives to states and localities to underwrite the cost of co-location and service integration.
- 2. Empowering Individuals.** We support the concept of providing customers' choice in the selection of training opportunities. We recognize that real choice only comes when individuals are informed about all opportunities available to them and have the means to pursue that choice. Therefore, we support the continuation of the system of Individual Training Accounts (ITAs) and listing of eligible providers but recommend that states and localities be given flexibility to design their own systems for determining which entities and programs may be allowed to offer training. While this would ensure quality providers, it would also ensure access to the variety of training options that are necessary to meet the needs of the individuals seeking training options and the businesses who employ them. As it is currently defined, the eligible provider system has the unintended effect of limiting choice. A system designed and administered by the state and its localities will further the intent of the ITA-eligible provider system without its unintended negative consequences.
- 3. Universal Access.** We would recommend the inclusion of youth ages 14 to 17 as individuals eligible to receive core services in the One Stop system. While these individuals may be provided core services through the Wagner-Peyser Act, this is not currently allowed under WIA Title I. We continue to support separate youth programs for eligible youth but believe this would enhance services to other youth in need of core services

in locations where WIA services are present but Wagner-Peyser is not immediately available.

- 4. Increased Accountability.** We support the concept of increased accountability, but believe that the current system could be improved. In general, we believe the current accountability system produces good evaluation data but has limited use as a management tool. The current measures are complicated and difficult for boards and staff to understand. The reliance on unemployment wage records results in unacceptable time delays and data sharing limitations. Even with the full implementation of the Wage Record Interchange System (WRIS), these issues will remain and limit the effectiveness of the measures. Until these issues are resolved, we believe that individual contacts will continue to produce more reliable data than these administrative records. Since states and localities are routinely generating these data for their own management systems and must make individual contacts for customer satisfaction, it may be appropriate to consider using this more timely data for performance management as well.

The system for reporting youth skill attainments is hampered by conflicting messages from those who would generously recognize a youth's skill gains and those who apply more conservative approaches. Federal directives have suggested both that skill goals should be readily attainable by all participants (resulting in a high skill attainment rate) and that the systems for measuring these attainments should be rigorous and conform to an extensive list of structural criteria (the complexity of which will, in most cases, lower the skill attainment results).

Conflicting definitions related to performance measurement within the act itself and across programs are a cause for some confusion and prevent wide use of the measures.

Therefore, we suggest that fewer, more time-sensitive measures would be more effective in improving services in the long term. We would recommend that the goals focus on primary outcomes rather than produce measures of process or interim achievements. While we recognize that programs have different goals and outcomes, where appropriate, measures for common outcomes should be defined in the same manner and used across programs.

- 5. Strong role for state and local workforce boards and the private sector.** Business should continue to be a primary customer of the workforce investment system. As such, the role of state and local private sector led boards should be maintained and continued support should be offered to assist boards carry out their responsibilities.

- 6. State and local flexibility.** We would encourage greater flexibility for state and local partners in the administration of WIA. First, we would suggest that the law address broad policy areas rather than procedural details. This is reflected in our recommendations to provide flexibility in designing the One Stop system and the eligible provider accountability system. We would also recommend that the Secretary be granted broader waiver authority not limited by the provisions of section 189(i) of the Act when a state can demonstrate that such waivers would increase efficiency or performance.
- 7. Improved Youth programs.** We recommend that access to the programs will be improved by restoring eligibility for school lunch as meeting the economic criteria for enrollment under WIA youth programs. We concur with the minimum requirement for serving out-of-school youth and recognize the importance of directing resources to this hard to serve group. For simplicity, we would recommend that this thirty percent requirement be based on individuals rather than funding. This will have little material impact on the level of services to this group but will greatly simplify financial record keeping.
- 8. Funding.** We urge continued support of workforce development programs. With the weak economy, we are seeing an increased demand for services and escalating costs due to drops in state revenues. We would urge changes to processes which will assist states in managing WIA Title I funds. First, we would encourage timely appropriations and ask that USDOL be required to issue allotments to states within thirty days following appropriation by Congress. We would also recommend that the hold-harmless provisions be extended to dislocated worker allotments and provide for a 90% minimum and 130% maximum share of the allotment. These actions would allow states and localities to better plan for continuing services from one program period to the next. States should also be granted additional flexibility to develop procedures to reallocate funds from one area of the state to another when funds are not being utilized. The procedures would, of course, be subject to public review and approval by the Secretary as part of the development of the strategic plan. Finally, we would urge that states be allowed the flexibility to determine whether state dollars allocated to the local level be treated as state or local dollars. Requirements to track all 15% funds allocated to the local level by any means other than formula as state dollars simply add to the bureaucracy with no demonstrated value at the state or local level.
- 9. Flexibility and improved coordination.** While we must give first priority to protecting an individual's privacy, we urge Congress to specifically authorize (but not mandate) sharing of information among One Stop partner programs. This would allow states the flexibility to utilize information when it has been determined to be useful and

appropriate within the state's service design and delivery system, for purposes such as evaluating performance and system participation.

We recognize that budget realities may require Congress to appropriate funds from multiple fiscal periods for a single program year; however, we would urge the U.S. Department of Labor to develop methodologies to simplify reporting for the states and localities. Under current processes, states routinely submit 15 or more reports each quarter for the adult, youth and dislocated worker programs. This appears to confuse rather than clarify the financial position of the system. Any efforts to streamline this process would be appreciated.